

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

Hurricane Victims Have More Time to Claim Losses on Prior Year Returns

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WASHINGTON — Victims of Hurricanes Katrina, Rita or Wilma wishing to claim disaster-related losses on their prior year federal income tax return will have until October 16, 2006, to make this choice, the Internal Revenue Service announced today.

Taxpayers suffering disaster-related losses in certain areas of Florida, Alabama, Mississippi, Louisiana and Texas due to the hurricanes can choose to claim those losses on their current or prior year return. The original deadline for choosing this option is the due date of the taxpayer's current year return.

For example, individuals wishing to claim disaster-related losses on their 2004 federal income tax return instead of their 2005 return will have an extra six months, until October 16, 2006, to make this choice. The original deadline for individuals choosing this option was April 17, 2006.

To speed processing of these claims, taxpayers should write the name of the hurricane in red at the top of their return. Those who have already filed their prior year return can make this choice by filing an amended return (Form 1040X for individuals).

An explanation of the liberalized disaster loss rules and special instructions for claiming these losses can be found in Publication 4492, Information for Taxpayers Affected by Hurricanes Katrina, Rita, and Wilma. This publication, along with other disaster-related information, is available on IRS.gov or can be obtained by calling the special IRS disaster hotline toll-free at 1-866-562-5227.

Today's announcement does not affect the regular tax-filing deadlines for either 2004 or 2005 federal income tax returns.

Technical guidance will be available soon in Notice 2006-17, which will appear in Internal Revenue Bulletin 2006-10.